

CENTRAL INTELLIGENCE AGENCY

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SOURCE Wen-hui Pao (Hong Kong); Nan-chiao Jih-pao (Singapore).

CHEMICAL FACTORY REFINES GASOLINE;  
FU-CHOU FACTORIES RESTORED

PRODUCE ACTIVE LIME -- Wen-hui Pao, 25 Oct 49

Tang-shan, 23 October (NCHA) -- The privately operated Hua-1 Chemical Factory in T'ang-shan, Hopeh, has been successful in refining gasoline, kerosene and glycerine from plant oils after 6 months of research. A young engineer, Yü Feng-wu (Ueda: 132, 14378, 4992) and associates were instrumental in working out the process. Cottonseed and other plant oils, lime, peat, coal and electricity were used in the process. The three derivatives were successfully produced on 11 October 1949. Experiments with the new materials show that all three are of good quality and may be produced in large quantities.

In addition, Yü has succeeded in producing a compound, active lime, from cottonseed husks. This compound is used in the refining of crude oil. There are many other uses for active lime, most of which was formerly imported to meet China's requirements. The Hua-i Factory, however, now produces the lime in quantities sufficient to meet all needs.

With equipment now available to the factory, approximately 200 cattles of glycerine, 200-300 cattles of gasoline, and 800-1,000 cattles of kerosene are produced daily from 2,000 cattles of plant oils.

FU-CHOU FACTORIES INCREASE PRODUCTION -- Wen-hui Pao, 25 Oct 49

Fu-chou, 23 October (NCNA) -- A notable increase in production has been apparent among Fu-chou factories since they resumed operations. For example, the Fu-chien (Fukien) Paper Mill, which reopened on 19 September, in one month has produced 118 tons of paper products, exceeding its quota by 47.5 percent and breaking all previous production records for the plant.

The Sung-mao Chemical Works in the last 28 days has produced 250 cases of soap (the equivalent of 5,000 kilograms), an increase over the same period last year of over 66 percent.

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The Chien-hua (Reconstruct China) Match Factory now produces 30 crates of matches per day, an increase of 20 percent over the period immediately following liberation.

Much of the increase in production shown by these factories results from the government policies of equal benefits to labor and capital. The government purchased large portions of the plants' output to aid in their restoration, and restored to the workers the rice subsidy abolished by the KMT.

#### NORTHEAST SEEN AS HEAVY INDUSTRY BASE -- Nan-chiao Jih-pao, 27 Sep 49

A Pei-p'ing broadcast states that the Northeast will eventually be the heavy industry base for China. This is evidently intended to counteract the frequent prognostications of many foreigners that the Northeast will break with China to become a second Outer Mongolia.

With reference to this, Kao Ch'ung-min, one of the three vice-presidents of the Northeast People's Government, says that under the leadership of the CCP, of Chairman Mao Tse-tung, and of the Central People's Government, the Northeast will be able to overcome all economic difficulties and to aid in the industrialization of the whole country. He averred that the recent commercial agreement with the Soviet Union would enable the Northeast to solve all its economic and reconstruction problems.

#### PLACE OF NATIONAL CAPITALISTS -- Wen-hui Pao, 12 Oct 49

Heretofore this class has contributed to China's industrial development, but very little to the revolution. A few industrialists have backed the KMT reactionaries, but now the People's Government is not settling old scores with them. The CCP counts them as friends, not targets of attack, letting them fit naturally into the scheme of socialist economic reconstruction. In the past they have been oppressed by imperialism, feudalism, and bureaucratic capitalism, and during the ascendancy of European culture they enjoyed no political power. Liberated by the present movement from oppression, they now have the good fortune to expand greatly and to become a constructive force in the New China. Their present opportunity should not be neglected. -- Ch'ien Chia-chu, member, Finance Department, South China Bureau, CCP

#### LUNG YUN'S WEALTH CONFISCATED -- Nan-ch'iao Jih-pao, 28 Sep 49

Lung Yun's financial agent, Chu Hsueh-kao, having heard that the government was about to confiscate Lung's wealth, planned to fly to Hong Kong on 16 September. He was arrested at the K'un-ming airfield and told to disgorge Lung's possessions.

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